

13 August 2019

Ministry for the Environment
Manatū Mō Te Taiao
PO Box 10362
WELLINGTON 6143

Via email to: agriculture.emissions@mfe.govt.nz

Dear Minister

Action on agricultural emissions discussion document

1. Hawke's Bay Regional Council (HBRC) makes this submission on the Action on Agricultural Emissions Discussion Document, released by the Ministry for the Environment in July 2019.
2. In making this submission, we have generally limited our response to those aspects of the proposals which overlap with HBRC's regulatory functions.
3. HBRC does not wish to speak to this submission.

Background

4. Our region spans over 1.42 million hectares of land and has a population of some 166,000 people, of whom about 12.5% (21,000 people) are considered to be rural inhabitants.
5. Farm statistics for 2017 show Hawke's Bay farms as holding approximately 2.8 million sheep (10% of the NZ total), 88,000 dairy cattle (just over 1% of the NZ total), 421,000 beef cattle (12% of the NZ total) and 53,000 deer (6% of the NZ total). Approximately 18,000 hectares of land is in horticulture, the third largest area in NZ. Agriculture contributed \$707 million towards the regional economy, with primary manufacturing contributing \$728 million, together contributing just under 20% of the region's GDP.
6. Agriculture is both a significant contributor to the regional economy and an activity which itself is impacted by climate change. It is in our region's interest to ensure that farming and food production remain viable into the future within Hawke's Bay.
7. HBRC's Strategic Plan already identifies a goal of achieving carbon neutrality for Hawke's Bay by 2040, and the regional council declared a climate emergency on 26 June 2019.

Question 3

What are the key building blocks for a workable and effective scheme that prices emissions at farm level?

8. HBRC notes that farm industry leaders prefer a formal sector-government agreement for farm-level emissions, and oppose the Interim Climate Change Commission's preferred option of pricing livestock and fertiliser emissions at the processor level. HBRC believes such a sector-led programme would make use of integrated Farm Environment Plans covering emissions reductions.
9. HBRC notes that its Regional Resource Management Plan (RRMP) is being progressively changed to give effect to national freshwater requirements, and Farm Environment Management Plans (FEMP) are becoming an increasingly required tool for driving on-farm improvements for water quality and other environmental improvements. Such FEMPs assist farmers in:

- a) Self-managing the environmental impacts of their farming activities;
 - b) Demonstrating that they are using good practices, appropriate to their specific farm environment;
 - c) Understanding their farming operation's impact on greenhouse gas emissions.
10. HBRC also notes the development of new national regulations that focus on the use of Farm Plans in meeting national water quality objectives.
 11. Accordingly, at the farm level it makes sense to develop a Farm Environment Plan which covers all aspects of managing the farm environment.
 12. A Farm Environment Plan should therefore be designed to work well for those working the land as well as providing sufficient information to meet the requirements of different agencies of Government and the regional council. Such a Plan should enable farm management to be integrated across all the issues facing farmers. This may require tailoring of plans to fit the farmer and farming operation, and separate sections on such matters as management of emissions and contaminant loss, waste, discharges, indigenous biodiversity, riparian and tree planting, carbon storage, transportation, etc. A spatial plan could be used to show how the parts fit together at farm level.
 13. HBRC suggests that the role of Farm Plans, along with information and data management arising from this, be co-ordinated across the range of agencies with an interest in how farm plans are used in regulation (and as a tool to support good decision-making).

Question 7

What barriers of opportunities are there across the broader agricultural sector for reducing agricultural emissions? What could the Government investigate further?

14. Any reform to the agricultural sector regarding emissions must be set within the much broader suite of impacts on farming arising from other issues, including contaminant loss as part of freshwater reforms and regional plan requirements, biodiversity and biosecurity challenges, health and safety demands, market reforms etc. It should also recognise that farming systems themselves must adapt to a changing climate now, particularly as more frequent and more extreme climate events occur in real time. The health and wellbeing of those living in rural areas is critical to the success of any emissions reduction programme, and may require more resourcing by the Government. This was evident from the public meeting held in Napier on 30 July where this issue was raised with officials.
15. Special care must be taken in designing how such information is to be reported back and how the interests of the various agencies in data collected through farm plans are met. Such information may be commercially sensitive and adequate safeguards are needed to ensure the security of all reported data. It may also be used as evidence in enforcement actions, so data integrity is vital.
16. Consideration could be given to the benefit of having one reporting agency for environmental data, ensuring the integrity and safety of data held, avoiding administration duplication and making reporting easier for the farmer. In turn, multiple agencies (including HBRC with respect to its regulatory requirements) could access necessary data to undertake their statutory functions. Any such data platform could leverage some pre-existing arrangements, or could involve something entirely new. Either way, the data platform should involve both central and local government in its design (or modification) and ongoing operation.
17. HBRC considers that further technical and advisory support is necessary for sector-wide farm planning to be effectively developed and put into practice. This is almost inevitable anyway, given the increasing knowledge about the science of climate change and the effects of farming

activities, combined with the complexities of farming systems necessary to stay competitive in a world economy.

Question 9

Do you have any other comments on the Government's proposals for addressing agricultural emissions?

18. The Government should be clear about which of the proposed provisions are incentives to reduce greenhouse gas emissions, and which constitute a new tax relating to emissions. HBRC notes that throughout the Discussion Document, the concept of pricing emissions (or fertiliser use) is consistently used. We note that in a separate draft proposal, *Te Koiroa o te Koiroa* (Proposals for a Biodiversity Strategy for Aotearoa New Zealand), recently released by the Department of Conservation, states that the 'Government will not implement a fertiliser tax in this term of Parliament and will not be advancing new environmental tax proposals' (Page 47). Superficially, Proposals 1 and 2 on agriculture emission (pricing livestock and fertiliser emissions) seem to contradict that statement from the biodiversity discussion document. The farming sector, and farm support industries, require more consistent communication from the Government on these matters.

Thank you for the opportunity to raise these matters on behalf of the Hawke's Bay community.

Yours sincerely



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